



**Via Messenger**

July 28, 2010

Ken Harris  
Interim Assistant Executive Officer  
California Regional Water Quality Control Board  
Los Angeles Region  
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Suite 200  
Los Angeles, California 90013

**Shell Oil Products US**  
Environmental Services  
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Re: *Comments to the Tentative Cleanup and Abatement Order No. R4-2010-00XX*  
*Former Kast Property Tank Farm, Carson, California*

Dear Mr. Harris:

On behalf of Shell Oil Company (“SOC”) and Shell Oil Products US (“SOPUS”), we thank you for the opportunity to provide comments on the June 28, 2010 Tentative Cleanup and Abatement Order (“CAO”) concerning the former Kast Property (the “Kast Site”). We are committed to working with the Regional Board to complete the investigation of the Kast Site, develop and implement appropriate measures in order to continue protecting the health of the residents of the Carousel neighborhood, and address the potential long-term environmental issues relating to SOC’s historical operations. Based on the data obtained thus far, it is our belief that these goals can be accomplished while preserving the integrity of the Carousel neighborhood. With our objectives of protecting health, addressing environmental impacts and preserving the community in mind, we wish to highlight some of the major issues that are raised in the attached detailed comments to the Tentative CAO. We respectfully request that the Regional Board consider these issues and modify the CAO as indicated.

***First, we are concerned that the requirements contained in the Tentative CAO would improperly and unnecessarily short-circuit the site investigation and remedy evaluation process before sufficient data can be obtained to make a complete scientific and engineering assessment of what remedial strategies should be contained in a Remedial Action Plan (“RAP”) for the Kast Site.*** Specifically, the Tentative CAO includes at paragraph 3.b. a provision that could be read to require the removal of “the entire concrete reservoir slab” wherever it is found beneath unpaved areas at the Kast Site, regardless of whether the buried concrete is having any effect on the environmental conditions at the Site, and regardless of the technical feasibility issues and adverse environmental effects that would likely be caused by such a requirement.

**Second, as drafted, the Tentative CAO is inconsistent with the requirement in State Water Board Resolution No. 92-49 that Regional Boards utilize a deliberate, phased approach to the cleanup and abatement of contaminated sites.** This phased approach begins with a site assessment, then a review of remedial options and a feasibility study, and finally—based on all of the information obtained from the previous steps—the preparation and approval of a Remedial Action Plan spelling out the remedial strategy for the site. With a few exceptions that do not apply here, this requirement is *mandatory*. There are good technical and policy reasons underlying this phased approach. For instance, considering the situation here, before a technically sound determination can be made whether it would be appropriate or feasible to excavate, demolish and remove the remaining concrete floors of the former reservoirs, an assessment of the effects (if any) that the concrete floors might be having on current environmental conditions should be carried out. It is equally important to conduct an evaluation of the technical, practical and environmental feasibility—and desirability—of removing all of the remaining concrete floors of the reservoirs throughout the Kast Site from a depth of approximately ten feet, especially when such excavation and demolition activities would be conducted adjacent to, and beneath, occupied homes, some of which may not otherwise require excavation.

Moreover, it is imperative that the Regional Board gather and review additional information regarding the feasibility and efficacy of alternatives to site-wide removal of the remaining concrete floors of the former reservoirs, such as soil vapor extraction, which is currently being studied by SOPUS and the Regional Board at the Kast Site. Many of these alternatives could be at least as effective in protecting the health and safety of the Carousel residents and in addressing the environmental impacts at the Kast Site. Thus, the Regional Board should consider the proposal in our enclosed comments to conduct a series of short-term, targeted pilot studies, including a study of remedial options that can be implemented at a limited number of houses once characterization (including indoor air testing) has been completed. There are a number of homes that are nearly ready for inclusion in such a study.

We heard some residents' concern, expressed at the July 19 public meeting, about continuing to reside in the Carousel neighborhood during the period needed to develop and implement a remediation program. Please know that, while these studies are being completed in the coming months, and additional data regarding the Kast Site is collected, SOPUS and SOC are prepared to implement short-term measures at individual houses where the data calls for such steps under SOPUS' April 6, 2010 Data Evaluation and Decision Matrix. We are not suggesting that no mitigation steps occur while the proposed studies are underway; to the contrary, we will implement interim mitigation measures to provide assurances to the residents while the most appropriate long-term remediation technologies are selected and designed – to effectuate a program that is most appropriate for the residents and adjacent communities and that would not result in unintended consequences by acting hastily without undergoing proper analysis of the site and review of remediation alternatives.

**Third, the data referenced in the Findings section of the Tentative CAO consist almost entirely of maximum concentrations. However, maximum concentrations are not representative of conditions across the entire Kast Site and, especially, they are not representative of conditions at any given residence.** Incomplete and misleading citations to a few isolated data points from a 44 acre site containing 285 homes has engendered confusion

among the residents regarding the conditions both at their particular homes and beneath the public streets. This confusion was evident at the recent July 19 public meeting. Given the large amount of data that has already been collected from the Kast Site and provided to the Regional Board, we respectfully request that the Final CAO contain a more complete and representative description of the data.

***Fourth, the Tentative CAO fails to incorporate critical facts relating to the history of the Kast Site.*** The Kast Site previously housed three petroleum storage reservoirs, which were owned first by Shell Company of California, and then SOC, from 1923 until 1966. In 1966, SOC sold the Site with the three out-of service reservoirs in place to Lomita Development Company (“Lomita Development”), a sophisticated developer and an affiliate of Barclay-Hollander-Curci Inc. (“BHC”). In connection with its purchase of the Kast Tank Farm, Lomita Development and BHC assumed sole and full responsibility for emptying and demolishing the reservoirs and grading the Site. Lomita Development then developed and sold the 285 single-family homes on the Kast Site that now comprise the Carousel neighborhood.<sup>1</sup> The Tentative CAO, however, omits any mention of the fact that Lomita Development and BHC, not SOC or SOPUS, were the entities responsible for emptying and demolishing the reservoirs and grading the Kast Site. This is a critical fact that is well-supported by historical documents relating to the sale of the Kast Site to Lomita Development and to the demolition of the reservoirs.

***Finally, our commitment to investigating and addressing the environmental impacts related to SOC’s ownership of the Kast Site should be judged by what we have accomplished in the relatively short time since the environmental conditions first came to light.*** More than forty years after SOC sold the Kast Site, an environmental investigation at the nearby Turco Products facility detected potential issues at the Kast Site. After being notified of this discovery and at the request of the Regional Board, SOPUS and its contractors, URS and Geosyntec, began an extensive environmental investigation of the Site that is still ongoing. We met with the Carousel community to communicate our findings promptly upon completion of the first phase of the investigation and established an information phone line so residents could continue to ask questions and receive information about the activities in their community. Under the supervision of the Regional Board, and pursuant to approved work plans, we have performed extensive soil, soil vapor and groundwater sampling throughout the Kast Site, in the adjacent Monterey Pines and Island-Fries neighborhoods, and at the Wilmington Middle School. Multiple teams of environmental specialists are working in the neighborhood on a daily basis to expedite completion of the site characterization. We have been and will continue reporting the results of this sampling to the Regional Board, and posting reports and sampling data for public access and review. We also have provided the results of all testing and risk evaluations for the individual residences to the homeowners, either directly or, where they have legal representation, through their counsel.

We greatly appreciate your consideration of the enclosed comments and recommendations. Please contact me at (818) 991-5556 should you have any questions regarding these materials. I would be pleased to meet with you and your staff to discuss our comments and to address any questions you might have.

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<sup>1</sup> We are also delivering under separate cover a letter that specifically addresses the role played by Lomita Development and its affiliates with respect to the current environmental impacts at the Kast Site.

We look forward to continuing to work with the Regional Board in completing the environmental investigation in the Carousel neighborhood, and in developing measures to protect the residents in the Carousel neighborhood and address the environmental impacts related to our former operations.

Sincerely,

A handwritten signature in black ink, appearing to read "Gene Freed". The signature is fluid and cursive, with the first name "Gene" and last name "Freed" clearly distinguishable.

Gene Freed  
Project Manager  
Shell Oil Products US

Enclosures